GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA

UNSTARRED QUESTION NO:6711
ANSWERED ON:10.05.2005
EXPORT OF AUTO COMPONENTS
Singh Shri Dushyant

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether there is a vast scope to increase the export of country`s auto components;

(b) if so, the steps taken to identify the market in the international spheres where there is growing demand for the automobile parts manufactured in India;

(c) the steps taken to increase the export of automobile parts to these countries; and

(d) the details thereof?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI E.V.K.S. ELANGOVAN)

(a): Yes, Sir. The export of auto components out of India in financial year 2004-05 is expected to be US $ 1.4 billion, which is about 16% of the total turnover of the auto component industry. In 2003-2004, the export was US $ 1 billion and hence, the export growth in the last one year has been 40 %. According to a recent Automotive Components Manufacturers` Association (ACMA ) and McKinsey & Co. study, India has the potential of achieving export of auto-components to the tune of US $ 20-25 billion by 2015. The largest share of this export would come from North America and Western European countries, which today accounts for more than 60 % of India`s Export of auto components.

(b) to (d): ACMA has undertaken many initiatives to identify the export opportunities as well as to create the necessary linkages between the Indian suppliers and the large OEM and Tier 1 buyer in USA and EU. Country market studies have been conducted by ACMA and an integrated export strategy has been prepared. ACMA also organises sector specific business Missions to these countries and receives buying Missions from these countries. They also participate in major automotive trade shows and has been organising customer focussed Buyer Seller Meets and Business Development Events. Special focus has also been given to large potential markets of Russia and Iran. In addition, the Government is promoting exports through Engineering Export Promotion Council (EEPC)`s various export promotion measures such as organizing as well as taking part in trade exhibitions, organizing Buyer Seller Meets both in India and abroad, sponsoring trade delegations etc. The Government has been operating export promotion mechanisms for engineering products including auto -components, such as Duty Drawback scheme, and other promotion Schemes under Foreign Trade Policy.